COMMITTEE REPORT

MADAM PRESIDENT:

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The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1360, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new

2	paragraph and insert:
3	"SECTION 1. IC 8-1-2-23.1 IS ADDED TO THE INDIANA CODE
4	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5	1, 2009]: Sec. 23.1. (a) This section applies to a public utility that
6	complies with the schedule set forth in IC 8-1-37-5(b).
7	(b) For purposes of section 23 of this chapter, the construction,
8	addition, extension, or improvement of a public utility's plant or
9	equipment to provide electric or gas service to a customer that:
10	(1) produces biodiesel, ethanol, or any other biofuel; or
11	(2) is a renewable energy manufacturing facility (as defined
12	in IC 8-1-38-4);
13	is in fact used and useful in the public service.
14	(c) This subsection applies to a public utility's general rate
15	proceeding that immediately follows the public utility's investment
16	in a construction, an addition, an extension, or an improvement
17	described in subsection (b). A public utility may accrue for
18	recovery in the rate proceeding depreciation and a return, not to
19	exceed a total of fifty million dollars (\$50,000,000), on the public
20	utility's investment at the rate of return authorized by the
21	commission in the public utility's general rate proceeding

1	immediately preceding the investment. The accrual of a return by
2	a public utility under this subsection:
3	(1) begins on the date the public utility initially records the
4	investment in the public utility's books or records, as
5	determined by the commission; and
6	(2) ends on the earlier of the following dates:
7	(A) The date on which the public utility accrues the full
8	return determined under this subsection.
9	(B) The date rates are placed in effect after a general rate
10	proceeding that recognizes an investment by a public
11	utility in the public utility's rate base.
12	(d) Notwithstanding subsection (c), the commission shall revoke
13	a cost recovery approved under this chapter for an electricity
14	supplier that the commission determines has:
15	(1) elected to; and
16	(2) failed to;
17	comply with the schedule set forth in IC 8-1-37-5(b).
18	(e) This section expires December 31, 2020, unless reauthorized
19	by the general assembly before December 31, 2020. However, a
20	return accrued under this section before January 1, 2021, expires
21	on the appropriate date determined under subsection (c)(2) even if
22	the expiration date occurs after December 31, 2020.
23	SECTION 2. IC 8-1-8.2 IS ADDED TO THE INDIANA CODE AS
24	A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
25	PASSAGE]:
26	Chapter 8.2. Electric Line Facilities Projects
27	Sec. 1. As used in this chapter, "commission" refers to the
28	Indiana utility regulatory commission created by IC 8-1-1-2.
29	Sec. 2. As used in this chapter, "electric line facilities" means
30	the following:
31	(1) Overhead or underground electric transmission lines.
32	(2) Overhead or underground electric distribution lines.
33	(3) Electric substations.
34	Sec. 3. As used in this chapter, "electric line facilities project"
35	means an addition to or the construction, operation, maintenance,
36	reconstruction, relocation, upgrading, or removal of electric line
37	facilities.
38	Sec. 4. As used in this chapter, "electricity supplier" means a
39	public utility that furnishes retail electric service to the public.
40	Sec. 5. As used in this chapter, "public utility" has the meaning
41	set forth in IC 8-1-2-1.
42	Sec. 6. As used in this chapter, "regional transmission

organization" refers to the regional transmission organization approved by the Federal Energy Regulatory Commission for the control area in which an electricity supplier operates electric line facilities.

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2.2.

- Sec. 7. As used in this chapter, "renewable energy resources" has the meaning set forth in IC 8-1-37-4.
- Sec. 8. This chapter applies to an electricity supplier that complies with the schedule set forth in IC 8-1-37-5(b).
- Sec. 9. (a) The commission shall encourage electric line facilities projects by creating the following financial incentives for electric line facilities that are reasonable and necessary:
 - (1) The timely recovery of costs, by means of a periodic rate adjustment mechanism, incurred by an electricity supplier in connection with an electric line facilities project that transmits or distributes electricity generated from renewable energy resources.
 - (2) The timely recovery of costs, by means of a periodic rate adjustment mechanism, incurred by an electricity supplier taking service under a tariff of, or being assessed costs by the:
 - (A) regional transmission organization; or
 - (B) Federal Energy Regulatory Commission.
- (b) The commission shall determine a reasonable schedule under which an electricity supplier may recover costs under this section. In making a determination under this subsection, the commission shall consider the impact of the cost recovery on ratepayers of the electricity supplier.
- Sec. 10. (a) Subject to subsection (h), an electricity supplier must submit an application to the commission for approval of an electric line facilities project for which the electricity supplier seeks to receive a financial incentive created under section 9 of this chapter.
- (b) The commission shall prescribe the form for an application submitted under this section.
- (c) Upon receipt of an application under subsection (a), the commission shall review the application for completeness. The commission may request additional information from an applicant as needed. The commission may not review an application submitted after December 31, 2020, unless authorized to do so by the general assembly before January 1, 2021.
- (d) The commission, after notice and hearing, shall issue a determination of an electric line facilities project's eligibility for the financial incentives described in section 9 of this chapter not later than one hundred eighty (180) days after the date of the

application. A determination under this subsection must include a finding that the applicant electricity supplier is in compliance with the schedule set forth in IC 8-1-37-5(b).

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2.2.

- (e) Subject to subsections (g) and (h), the commission shall approve an application by an electricity supplier for an electric line facilities project that is reasonable and necessary. An electric line facilities project is presumed to be reasonable and necessary if the electric line facilities project:
 - (1) is consistent with, or part of, a plan developed by the:
 - (A) regional transmission organization; or
 - (B) Federal Energy Regulatory Commission; or
 - (2) transmits or distributes electricity generated from renewable energy resources.

However, an electricity supplier may seek approval from the commission at the electricity supplier's next general rate proceeding to include in the electricity supplier's basic rates the recoverable costs sought in an application approved under this subsection.

- (f) This section does not relieve an electricity supplier of the duty to obtain any certificate required under IC 8-1-8.5 or IC 8-1-8.7.
- (g) The commission shall not approve a financial incentive for that part of an electric line facilities project that exceeds the lesser of:
 - (1) seven percent (7%) of the electricity supplier's rate base approved by the commission in the electricity supplier's most recent general rate proceeding; or
 - (2) one hundred fifty million dollars (\$150,000,000).
- (h) The commission may not approve a financial incentive under section 9 of this chapter for a particular electricity supplier if the commission has approved a financial incentive under section 9 of this chapter in the preceding twelve (12) months for that electricity supplier, unless the commission determines that approving a particular financial incentive for an electricity supplier on a more timely basis will benefit the electricity supplier's ratepayers.
- (i) A financial incentive that the commission approves before January 1, 2021, or that an electricity supplier applies for before January 1, 2021, and that is subsequently approved, expires on the earlier of the following dates:
 - (1) The date on which the electricity supplier accrues the full recovery amount authorized by the commission.
- (2) The date specified by the commission in its approval of the

l	financial incentive.
2	Sec. 11. The commission shall revoke all financial incentives
3	approved under this chapter for an electricity supplier that the
4	commission determines has:
5	(1) elected to; and
6	(2) failed to;
7	comply with the schedule set forth in IC 8-1-37-5(b).
8	SECTION 3. IC 8-1-8.4 IS ADDED TO THE INDIANA CODE AS
9	A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
10	PASSAGE]:
11	Chapter 8.4. Certificate of Authority for Certain Projects
12	Sec. 1. As used in this chapter, "electric line facilities" means
13	overhead and underground electric transmission and distribution
14	lines, electric substations, and overhead and underground
15	telecommunication lines associated with electric transmission and
16	distribution.
17	Sec. 2. As used in this chapter, "project" means the proposed
18	activity of a public utility described in section 6 of this chapter.
19	Sec. 3. As used in this chapter, "public utility" has the meaning
20	set forth in IC 8-1-2-1, except as provided in IC 8-1-2-1.1.
21	Sec. 4. A public utility that proposes to take, acquire, condemn
22	or appropriate land, real estate, or any interest in land or real
23	estate for one (1) or more of the following purposes with respect to
24	electric line facilities may elect to follow the procedure in this
25	chapter instead of the procedures in IC 32-24-1:
26	(1) Construction.
27	(2) Reconstruction.
28	(3) Operation.
29	(4) Maintenance.
30	(5) Relocation.
31	(6) Upgrade.
32	(7) Removal.
33	(8) Additions.
34	Sec. 5. If a public utility makes an election under section 4 of
35	this chapter, the public utility shall:
36	(1) file a petition with the commission for a certificate of
37	authority for the project; and
38	(2) publish notice under IC 5-3-1 in each county in Indiana in
39	which the project is to occur of:
40	(A) the project; and
41	(B) a public hearing to be held by the commission on the
12	project in one (1) or more of those counties

1 Sec. 6. The commission shall grant intervenor status in the 2 certificate of authority proceeding to any person that petitions the 3 commission for intervenor status. 4 Sec. 7. (a) After the public hearing required by section 5 of this 5 chapter, the commission shall issue a certificate of authority under 6 this chapter authorizing the project if in the commission 7 proceeding the public utility demonstrates the following to the 8 satisfaction of the commission: 9 (1) At least one (1) of the following applies: 10 (A) The project is expected to result in intrastate benefits 11 or interstate benefits, or both. 12 (B) Except with respect to the removal of electric line facilities, the electric line facilities that are the subject of 13 14 the project are needed or will be needed to furnish retail electric service or wholesale electric service, or both, in 15 16 Indiana or outside Indiana, or both. 17 (C) The project is consistent with or part of a plan 18 developed by a regional transmission organization 19 approved by the Federal Energy Regulatory Commission, 20 or a successor or similar organization, for the control area 21 applicable to the electric line facilities. 2.2. (2) Except with respect to the removal of electric line facilities, 23 the following for the project are reasonable: 24 (A) The site. 25 (B) The location. 26 (C) The general route, width, and beginning and end points 27 of the right-of-way. 28 (b) After the public hearing required by section 5 of this 29 chapter, the commission may deny the petition if the public utility 30 fails to demonstrate the factors listed in subsection (a) to the 31 satisfaction of the commission. 32 Sec. 8. (a) The commission: 33 (1) shall promptly review a petition filed under section 5 of 34 this chapter for completeness; 35 (2) may request additional information it considers necessary 36 to aid in its review; and 37 (3) subject to subsection (b), shall act under section 7 of this 38 chapter on a petition not later than one hundred twenty (120) 39 days after the date of the petition. 40 (b) The period under subsection (a)(3) does not include the days

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beginning on the date of a request for additional information under

subsection (a)(2) and ending on the date the requested information

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is provided. 1 2 (c) If the commission fails to act in a timely manner under 3 subsection (a)(3): 4 (1) the factors listed in section 7(a) of this chapter are 5 considered to have been demonstrated to the satisfaction of the commission: and 7 (2) the certificate of authority for which the petition was filed 8 under section 5 of this chapter is considered to have been 9 issued by the commission under section 7 of this chapter. 10 Sec. 9. Upon the request of the public utility, the commission shall certify the issuance of a certificate of authority under section 11 12 7 of this chapter. Sec. 10. If: 13 14 (1) an action in eminent domain is commenced by a public utility against an owner of land, real estate, or an interest in 15 16 land or real estate to which a certificate of authority issued 17 under section 7 of this chapter applies; 18 (2) the public utility files in that action the certificate of 19 authority as certified under section 9 of this chapter; and 20 (3) the court in that action finds that the public utility has 21 made an offer to purchase the land, real estate, or interest in 2.2. land or real estate under IC 32-24-1-3(b)(2) and IC 32-24-1-5; 23 the court shall issue to the public utility an order of appropriation 24 and appointment of appraisers under IC 32-24-1-7 for the land, 25 real estate, or interest in land or real estate and assess 26 compensation and damages for the appropriation under 27 IC 32-24-1. 28 Sec. 11. Upon review of an appropriate petition filed by a public 29 utility, the commission shall encourage investment in electric line 30 facilities by creating financial incentives that the commission finds 31 to be reasonable and necessary. 32 Sec. 12. If a public utility does not petition under this chapter 33 for a certificate of authority for specific electric line facilities: 34 (1) nothing in this chapter diminishes: 35 (A) the public utility's right of eminent domain for those 36 electric line facilities; or 37 (B) the rights of any person in any eminent domain 38 proceeding; and 39 (2) the election by a public utility to not petition under this 40 chapter for a certificate of authority may not be raised as an objection in any eminent domain proceeding by the owner 41

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under IC 32-24-1-8.

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1 SECTION 4. IC 8-1-8.8-2, AS AMENDED BY P.L.175-2007, 2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 3 JULY 1, 2009]: Sec. 2. As used in this chapter, "clean coal and energy 4 projects" means any of the following: 5 (1) Any of the following projects: (A) Projects at new energy production or generating facilities 6 7 that employ the use of clean coal technology and that produce 8 energy, including substitute natural gas, primarily from coal, 9 or gases derived from coal, from the geological formation 10 known as the Illinois Basin. 11 (B) Projects to provide advanced technologies that reduce 12 regulated air emissions from existing energy production or 13 generating plants that are fueled primarily by coal or gases 14 from coal from the geological formation known as the Illinois 15 Basin, such as flue gas desulfurization and selective catalytic reduction equipment. 16 17 (C) Projects to provide electric transmission facilities to serve 18 a new energy production or generating facility or a low 19 carbon dioxide emitting or non-carbon dioxide emitting 20 energy production or generating facility. 21 (D) Projects that produce substitute natural gas from Indiana 22 coal by construction and operation of a coal gasification 23 facility. 24 (E) Projects or potential projects that employ the use of 25 low carbon dioxide emitting or non-carbon dioxide 26 emitting energy production or generating technologies to 27 produce electricity. 28 (2) Projects to develop alternative energy sources, including 29 renewable energy projects and or coal gasification facilities. 30 (3) The purchase of fuels or energy produced by a coal 31 gasification facility or by a low carbon dioxide emitting or 32 non-carbon dioxide emitting energy production or generating 33 facility. 34 (4) Projects described in subdivisions (1) through (3) (2) that use 35 coal bed methane. SECTION 5. IC 8-1-8.8-6, AS AMENDED BY P.L.175-2007, 36 37 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 38 JULY 1, 2009]: Sec. 6. As used in this chapter, "eligible business" 39 means an energy utility (as defined in IC 8-1-2.5-2) or owner of a coal 40 gasification facility that: 41 (1) proposes to construct or repower a new energy production or 42 generating facility;

1	(2) proposes to construct or repower a project described in section
2	2(1) or 2(2) of this chapter;
3	(3) undertakes a project to develop alternative energy sources,
4	including renewable energy projects or coal gasification
5	facilities; or
6	(4) purchases fuels or energy produced by a coal gasification
7	facility or by a low carbon dioxide emitting or non-carbon
8	dioxide emitting energy production or generating facility.
9	SECTION 6. IC 8-1-8.8-7.5 IS ADDED TO THE INDIANA CODE
10	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
11	1, 2009]: Sec. 7.5. (a) As used in this chapter, "low carbon dioxide
12	emitting or non-carbon dioxide emitting energy production or
13	generating facility" means an energy production or generation
14	facility, including transmission lines and equipment described in
15	subsection (b), that is:
16	(1) installed or constructed at the site of a facility that supplies
17	electricity to Indiana retail customers as of July 1, 2009; and
18	(2) intended to produce:
19	(A) no carbon dioxide as a byproduct of the production or
20	generation of energy; or
21	(B) less carbon dioxide per megawatt hour of electricity
22	generated than is produced per megawatt hour of
2223	generated than is produced per megawatt hour of electricity generated by a coal fired or other fossil fuel
23	electricity generated by a coal fired or other fossil fuel
23 24	electricity generated by a coal fired or other fossil fuel based energy production or generating facility.
232425	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other
23242526	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon
2324252627	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production
23 24 25 26 27 28	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility.
23242526272829	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility. SECTION 7. IC 8-1-8.8-8, AS AMENDED BY P.L.175-2007,
23 24 25 26 27 28 29 30	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility. SECTION 7. IC 8-1-8.8-8, AS AMENDED BY P.L.175-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 24 25 26 27 28 29 30 31	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility. SECTION 7. IC 8-1-8.8-8, AS AMENDED BY P.L.175-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) As used in this chapter, "new energy
23 24 25 26 27 28 29 30 31 32	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility. SECTION 7. IC 8-1-8.8-8, AS AMENDED BY P.L.175-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) As used in this chapter, "new energy production or generating facility" refers to a generation or coal
23 24 25 26 27 28 29 30 31 32 33	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility. SECTION 7. IC 8-1-8.8-8, AS AMENDED BY P.L.175-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) As used in this chapter, "new energy production or generating facility" refers to a generation or coal gasification facility that satisfies all of the following:
23 24 25 26 27 28 29 30 31 32 33 34	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility. SECTION 7. IC 8-1-8.8-8, AS AMENDED BY P.L.175-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) As used in this chapter, "new energy production or generating facility" refers to a generation or coal gasification facility that satisfies all of the following: (1) The facility produces energy primarily from coal or gases from
23 24 25 26 27 28 29 30 31 32 33 34 35	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility. SECTION 7. IC 8-1-8.8-8, AS AMENDED BY P.L.175-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) As used in this chapter, "new energy production or generating facility" refers to a generation or coal gasification facility that satisfies all of the following: (1) The facility produces energy primarily from coal or gases from coal from the geological formation known as the Illinois Basin.
23 24 25 26 27 28 29 30 31 32 33 34 35 36	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility. SECTION 7. IC 8-1-8.8-8, AS AMENDED BY P.L.175-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) As used in this chapter, "new energy production or generating facility" refers to a generation or coal gasification facility that satisfies all of the following: (1) The facility produces energy primarily from coal or gases from coal from the geological formation known as the Illinois Basin. (2) The facility is a:
23 24 25 26 27 28 29 30 31 32 33 34 35 36 37	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility. SECTION 7. IC 8-1-8.8-8, AS AMENDED BY P.L.175-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) As used in this chapter, "new energy production or generating facility" refers to a generation or coal gasification facility that satisfies all of the following: (1) The facility produces energy primarily from coal or gases from coal from the geological formation known as the Illinois Basin. (2) The facility is a: (A) newly constructed or newly repowered energy generation
23 24 25 26 27 28 29 30 31 32 33 34 35 36 37	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility. SECTION 7. IC 8-1-8.8-8, AS AMENDED BY P.L.175-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) As used in this chapter, "new energy production or generating facility" refers to a generation or coal gasification facility that satisfies all of the following: (1) The facility produces energy primarily from coal or gases from coal from the geological formation known as the Illinois Basin. (2) The facility is a: (A) newly constructed or newly repowered energy generation plant; or
23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39	electricity generated by a coal fired or other fossil fuel based energy production or generating facility. (b) The term includes the transmission lines and other associated equipment employed specifically to serve a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility. SECTION 7. IC 8-1-8.8-8, AS AMENDED BY P.L.175-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) As used in this chapter, "new energy production or generating facility" refers to a generation or coal gasification facility that satisfies all of the following: (1) The facility produces energy primarily from coal or gases from coal from the geological formation known as the Illinois Basin. (2) The facility is a: (A) newly constructed or newly repowered energy generation plant; or (B) newly constructed generation capacity expansion at an

1 begun by an Indiana utility after July 1, 2002. 2 (4) Except for a facility that is a clean coal and energy project 3 under section 2(2) of this chapter, the facility has an aggregate 4 rated electric generating capacity of at least one hundred (100) 5 megawatts for all units at one (1) site or a generating capacity of at least four hundred thousand (400,000) pounds per hour of 6 7 steam. 8 (b) The term includes the transmission lines, gas transportation 9 facilities, and associated equipment employed specifically to serve a 10 new energy generating or coal gasification facility. 11 SECTION 8. IC 8-1-8.8-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 12 13 1, 2009]: Sec. 8.5. As used in this chapter, "qualified utility system expenses" means any preconstruction costs associated with the 14 15 study, analysis, or development of a: 16 (1) new energy production or generating facility; or 17 (2) new low carbon dioxide emitting or non-carbon dioxide 18 emitting energy production or generating facility; 19 including siting, design, licensing, and permitting costs. SECTION 9. IC 8-1-8.8-9, AS AMENDED BY P.L.175-2007, 20 21 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 22 JULY 1, 2009]: Sec. 9. As used in this chapter, "qualified utility system 23 property" means any: 24 (1) new energy production or generating or coal gasification 25 facility; or 26 (2) new low carbon dioxide emitting or non-carbon dioxide 27 emitting energy production or generating facility; 28 used, or to be used, in whole or in part, by an energy utility to provide 29 retail energy service (as defined in IC 8-1-2.5-3) regardless of whether 30 that service is provided under IC 8-1-2.5 or another provision of this 31 article. 32 SECTION 10. IC 8-1-8.8-11 IS AMENDED TO READ AS 33 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) The commission shall encourage clean coal and energy projects by creating the 34 35 following financial incentives for clean coal and energy projects, if the 36 projects are found to be reasonable and necessary: 37 (1) The timely recovery of costs incurred during construction and operation of projects described in section 2(1) or 2(2) of this 38 39 chapter. 40 (2) The authorization of up to three (3) percentage points on the 41 return on shareholder equity that would otherwise be allowed to 42 be earned on projects described in subdivision (1).

- (3) Financial incentives for the purchase of fuels or energy produced by a coal gasification facility or by a low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facility, including cost recovery and the incentive available under subdivision (2).
- (4) Financial incentives for projects to develop alternative energy sources, including renewable energy projects or coal gasification facilities.
- (5) Other financial incentives the commission considers appropriate.
- (b) An eligible business must file an application to the commission for approval of a clean coal and energy project under this section. This chapter does not relieve an eligible business of the duty to obtain any certificate required under IC 8-1-8.5 or IC 8-1-8.7. An eligible business seeking a certificate under IC 8-1-8.5 or IC 8-1-8.7 and this chapter for one (1) project may file a single application for all necessary certificates. If a single application is filed, the commission shall consider all necessary certificates at the same time.
- (c) The commission shall promptly review an application filed under this section for completeness. The commission may request additional information the commission considers necessary to aid in its review.
- (d) The commission shall, after notice and hearing, issue a determination of a project's eligibility for the financial incentives described in subsection (a) not later than one hundred twenty (120) days after the date of the application, unless the commission finds that the applicant has not cooperated fully in the proceeding.
- SECTION 11. IC 8-1-8.8-12, AS AMENDED BY P.L.175-2007, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) The commission shall provide financial incentives to eligible businesses for:
 - (1) new energy producing and production or generating facilities; and
 - (2) new low carbon dioxide emitting or non-carbon dioxide emitting energy production or generating facilities;

in the form of timely recovery of the costs incurred in connection with the study, analysis, development, siting, design, licensing, permitting, construction, repowering, expansion, operation, or maintenance of the facilities.

(b) An eligible business seeking authority to timely recover the costs described in subsection (a) must apply to the commission for approval of a rate adjustment mechanism in the manner determined by the

1 commission. 2 (c) An application must include the following: 3 (1) A schedule for the completion of construction, repowering, or 4 expansion of the new energy generating or coal gasification 5 facility for which rate relief is sought. (2) Copies of the most recent integrated resource plan filed with 6 7 the commission, if applicable. 8 (3) The amount of capital investment by the eligible business in 9 the new energy generating or coal gasification facility. 10 (4) Other information the commission considers necessary. 11 (d) The commission shall allow an eligible business to recover: 12 (1) the costs associated with qualified utility system property; and 13 (2) qualified utility system expenses; 14 if the eligible business provides substantial documentation that the 15 expected costs associated with qualified utility system property and 16 expenses and the schedule for incurring those costs and expenses are 17 reasonable and necessary. 18 (e) The commission shall allow an eligible business to recover the costs associated with the purchase of fuels or energy produced by a 19 20 coal gasification facility or by a low carbon dioxide emitting or 21 non-carbon dioxide emitting energy production or generating 22 **facility** if the eligible business provides substantial documentation that 23 the costs associated with the purchase are reasonable and necessary. 24 (f) A retail rate adjustment mechanism proposed by an eligible 25 business under this section may be based on actual or forecasted data. 26 If forecast data is used, the retail rate adjustment mechanism must 27 contain a reconciliation mechanism to correct for any variance between 28 the forecasted costs and the actual costs.". Page 2, line 10, delete "of:" and insert "of renewable energy 29 30 resources (as defined in IC 8-1-37-4) for the production of 31 electricity; and". 32 Page 2, delete lines 11 through 32. 33 Page 2, line 33, delete "(3)" and insert "(2)". 34 Page 3, line 4, delete "9(b)" and insert "8(b)". 35 Page 3, delete lines 5 through 6. Page 3, line 7, delete "7." and insert "6.". 36 Page 3, line 8, delete "9" and insert "8". 37 38 Page 3, line 10, delete "8." and insert "7.". Page 3, line 12, delete "9." and insert "8.". 39 40 Page 3, line 13, delete "development." and insert "development to provide assistance to corporations in the development of 41

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alternative energy projects.".

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1	Page 3, delete lines 41 through 42.
2	Delete pages 4 through 7.
3	Page 8, delete lines 1 through 33.
4	Page 8, line 34, delete "16. (a)" and insert "9.".
5	Page 8, line 35, delete "Any rules adopted by the office under this"
6	Page 8, delete lines 36 through 42.
7	Page 9, delete lines 1 through 23.
8	Page 9, line 24, delete "17." and insert "10.".
9	Page 9, line 26, delete "Notwithstanding".
10	Page 9, delete lines 27 through 42.
11	Page 10, delete lines 1 through 7, begin a new paragraph and insert
12	"SECTION 17. IC 8-1-37 IS ADDED TO THE INDIANA CODE
13	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
14	JULY 1, 2009]:
15	Chapter 37. Renewable Energy Development
16	Sec. 1. (a) As used in this chapter, "electricity supplier" means
17	a public utility (as defined in IC 8-1-2-1) that furnishes retail
18	electric service to the public.
19	(b) The term does not include a utility that is a:
20	(1) municipally owned utility (as defined in IC 8-1-2-1(h));
21	(2) corporation organized under IC 8-1-13; or
22	(3) corporation organized under IC 23-17 that is an electric
23	cooperative and that has at least one (1) member that is a
24	corporation organized under IC 8-1-13.
25	Sec. 2. As used in this chapter, "regional transmission
26	organization" has the meaning set forth in IC 8-1-8.2-6.
27	Sec. 3. As used in this chapter, "renewable energy credit", or
28	"REC", means one (1) megawatt hour of electricity that is:
29	(1) generated from a renewable energy resource described in
30	section 4(a) of this chapter;
31	(2) quantifiable; and
32	(3) possessed by not more than one (1) entity at a time.
33	Sec. 4. (a) As used in this chapter, "renewable energy resources"
34	includes the following sources, technologies, and programs for the
35	production or conservation of electricity:
36	(1) Methane systems that convert waste products, including
37	animal, food, and plant waste, into electricity or fuel for the
38	production of electricity.
39	(2) Methane recovered from landfills or coal mines.
40	(3) Wind.
41	(4) Solar photovoltaic cells and panels.
42	(5) Clean coal and energy projects (as defined in IC 8-1-8.8-2)

1	including plant efficiency measures.
2	(6) Dedicated crops grown for energy production.
3	(7) Energy from waste to energy facilities.
4	(8) Non-carbon dioxide emitting or low carbon dioxide
5	emitting electricity generating technologies placed in service
6	after June 30, 2009.
7	(9) Hydropower.
8	(10) Demand side management, conservation, or energy
9	efficiency programs that:
10	(A) reduce electricity consumption; or
11	(B) implement load management or demand response
12	technologies that shift a customer's electric load from
13	periods of higher demand to periods of lower demand.
14	(11) Combined heat and power systems that:
15	(A) use natural gas or renewable energy resources as
16	feedstock; and
17	(B) achieve at least seventy percent (70%) overall
18	efficiency.
19	(12) Geothermal hot water district heating systems.
20	(13) Electricity generated through net metering that is
21	regulated under rules adopted by the commission or other
22	Indiana law.
23	(14) Energy storage facilities.
24	(15) Integrated gasification combined cycle (IGCC)
25	technology to produce synthetic gas that is used:
26	(A) to generate electricity; or
27	(B) as a substitute for natural gas;
28	regardless of the fuel source used to produce the synthetic gas.
29	(16) A renewable energy resource listed in IC 8-1-8.8-10 to the
30	extent the renewable energy resource is not already described
31	in this subsection.
32	(b) Except as provided in subsection (a)(7), the term does not
33	include energy from the incineration, burning, or heating of the
34	following:
35	(1) Garbage.
36	(2) General household, institutional, or commercial waste.
37	(3) Industrial lunchroom or office waste.
38	(4) Landscape waste.
39	(5) Construction or demolition debris.
40	(6) Feedstock that is municipal, food, plant, industrial, or
41	animal waste from outside Indiana.
42	Sec. 5. (a) Each electricity supplier shall supply electricity under

a schedule set forth in either subsection (b) or (c).

- (b) In order to qualify for a financial incentive under IC 8-1-2-23.1 or IC 8-1-8.4-9, an electricity supplier shall supply electricity that is generated from renewable energy resources described in section 4(a) of this chapter to Indiana customers as a percentage of the total electricity supplied by the electricity supplier to Indiana customers during a calendar year as follows:
 - (1) Not later than the calendar year ending December 31, 2010, at least three percent (3%).
 - (2) Not later than the calendar year ending December 31, 2015, at least six percent (6%).
 - (3) Not later than the calendar year ending December 31, 2020, at least ten percent (10%).
 - (4) Not later than the calendar year ending December 31,2025, at least fifteen percent (15%).

For purposes of this subsection, electricity is measured in megawatt hours.

- (c) An electricity supplier that elects not to comply with subsection (b) shall supply electricity that is generated from renewable energy resources described in section 4(a) of this chapter to Indiana customers as a percentage of the total electricity supplied by the electricity supplier to Indiana customers during a calendar year as follows:
- (1) Not later than the calendar year ending December 31, 2010, at least one and five-tenths percent (1.5%).
 - (2) Not later than the calendar year ending December 31,2015, at least four percent (4%).
 - (3) Not later than the calendar year ending December 31, 2020, at least seven percent (7%).
 - (4) Not later than the calendar year ending December 31, 2025, at least ten percent (10%).

For purposes of this subsection, electricity is measured in megawatt hours.

- (d) An electricity supplier may own or purchase RECs or carbon offset equivalents to comply with subsection (b) or (c), as applicable.
- (e) An electricity supplier may not use a renewable energy resource described in section 4(a)(5), 4(a)(8), 4(a)(10), or 4(a)(11) of this chapter to generate more than twenty-five percent (25%) of the electricity that the electricity supplier is required to supply under subsection (b) or (c), as applicable.
- (f) If an electricity supplier exceeds the applicable percentage

under subsection (b) or (c) in a compliance year, the electricity supplier may carry forward the amount of electricity that:

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- (1) exceeds the applicable percentage under subsection (a); and
- (2) is generated from renewable energy resources; to comply with the requirement under subsection (b) or (c) for either or both of the two (2) immediately succeeding compliance years.
- (g) The commission shall consider the costs incurred by an electricity supplier in complying with subsection (b) or (c), as applicable, as consistent with the requirements of IC 8-1-2-42(d)(1) when ruling on a fuel cost charge requested by the electricity supplier under IC 8-1-2-42(d).
- Sec. 6. (a) An electricity supplier that elects to, and fails to, comply with the schedule set forth in section 5(b) of this chapter is no longer eligible for financial incentives as provided in IC 8-1-2-23.1(d) or IC 8-1-8.4-11, as applicable.
- (b) An electricity supplier described in subsection (a) shall comply with the schedule set forth in section 5(c) of this chapter beginning in the compliance year in which the electricity supplier fails to comply with the schedule set forth in section 5(b) of this chapter.
- Sec. 7. (a) This section applies to an electricity supplier that is required to, and fails to, comply with the schedule set forth in section 5(c) of this chapter.
- (b) Beginning January 1, 2011, and annually thereafter, the commission shall determine whether an electricity supplier is in compliance with the schedule set forth in section 5(c) of this chapter. The commission shall make a determination under this subsection not later than March 1 of each year.
- (c) If the commission determines that an electricity supplier is not in compliance with the schedule, the commission may impose a reasonable monetary penalty in an amount equal to the product of:
 - (1) the number of megawatt hours of electricity that the electricity supplier was required to, but failed to, supply under section 5(c) of this chapter; multiplied by
- (2) twenty-five dollars (\$25).
- In determining the amount of the monetary penalty, the commission shall consider the efforts made by the electricity supplier in attempting to comply with the schedule.
- (d) If the commission determines not later than December 31 of

a year that an electricity supplier against whom a monetary penalty was imposed under subsection (c) has achieved compliance with the schedule the commission may refund all or part of the monetary penalty imposed on the electricity supplier for that calendar year.

Sec. 8. (a) An electricity supplier is not required to timely comply with section 5(b) or 5(c) of this chapter, as applicable, if the commission determines that the electricity supplier has demonstrated that the cost of compliance with section 5(b) or 5(c) of this chapter, as applicable, using the renewable energy resources available to the electricity supplier would result in an unreasonable increase in the basic rates and charges for electricity supplied to customers of the electricity supplier. The commission shall conduct a public hearing to make a determination under this section.

- (b) If the commission determines under a hearing conducted under subsection (a) that the cost of compliance with section 5(b) or 5(c) of this chapter, as applicable, would result in an unreasonable rate increase, the commission shall extend the applicable deadline imposed under section 5(b) or 5(c) of this chapter. If the commission extends a deadline under this subsection, the commission shall consider whether subsequent deadlines imposed under section 5(b) or 5(c) of this chapter, as applicable, also should be extended.
- Sec. 9. (a) The commission shall allow an electricity supplier that complies with the schedule set forth in section 5(b) or 5(c) of this chapter to recover reasonable and necessary costs incurred in:
 - (1) constructing, operating, or maintaining facilities to comply with this chapter;
 - (2) generating electricity from, or purchasing electricity generated from, a renewable energy resource;
 - (3) purchasing RECs or carbon offset equivalents; or
 - (4) complying with federal renewable energy resource portfolio requirements;
- by a periodic rate adjustment mechanism.
 - (b) The commission shall revoke a periodic rate adjustment mechanism allowed under subsection (a) for an electricity supplier that the commission determines:
 - (1) is required to; and
- 39 (2) has failed to;

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- comply with section 5(b) or 5(c) of this chapter.
- (c) If the commission revokes a periodic rate adjustment mechanism allowed to an electricity supplier under subsection (b),

the electricity supplier may request, in the electricity supplier's 1 2 next general rate case, recovery of reasonable and necessary costs 3 incurred by the electricity supplier in attempting to comply with 4 section 5(b) or 5(c) of this chapter, as applicable. 5 Sec. 10. (a) For purposes of calculating RECs to determine an 6 electricity supplier's compliance with section 5(b) or 5(c) of this 7 chapter, as applicable, the following apply: 8 (1) Except as provided in subdivision (2), one (1) megawatt 9 hour of electricity generated from renewable energy resources 10 in an Indiana facility equals one and five-tenths (1.5) REC. (2) One (1) megawatt hour of electricity generated from a 11 12 renewable energy resource described in section 4(a)(1) or 4(a)(2) of this chapter that originates in Indiana equals two (2) 13 14 RECs. (3) One (1) megawatt hour of electricity that is: 15 16 (A) generated from a renewable energy resource that is 17 directly interconnected to a regional transmission 18 organization whose members include an electricity 19 supplier; and 20 (B) imported into Indiana; 21 equals one (1) REC. 2.2. (b) An electricity supplier may not apportion all or part of a 23 single megawatt of electricity among more than one (1): 24 (1) renewable energy resource; or 25 (2) category set forth in subsection (a); in order to comply with section 5(b) or 5(c) of this chapter, as 26 27 applicable. 28 Sec. 11. The Indiana economic development corporation, in 29 consultation with the commission, shall develop a strategy to 30 attract renewable energy component manufacturing and assembly 31 facilities to Indiana. 32 Sec. 12. Beginning in 2016, not later than March 1 of each year, 33 an electricity supplier shall file with the commission a report of the 34 electricity supplier's compliance with this chapter for the 35 preceding calendar year. 36 Sec. 13. The commission shall adopt rules under IC 4-22-2 to 37 implement this chapter. A rule adopted under this section may 38 establish a procedure by which an electricity supplier that initially 39 elects to comply with the schedule set forth in section 5(c) of this

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of this chapter.

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chapter may later comply with the schedule set forth in section 5(b)

SECTION 12. IC 8-1-38 IS ADDED TO THE INDIANA CODE AS

1	A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
2	1, 2009]:
3	Chapter 38. Green Infrastructure Incentive Program
4	Sec. 1. (a) As used in this chapter, "alternate energy production
5	facility" has the meaning set forth in IC 8-1-2.4-2(b).
6	(b) The term includes ethanol and biodiesel production facilities.
7	Sec. 2. As used in this chapter, "energy utility" has the meaning
8	set forth in IC 8-1-2.5-2.
9	Sec. 3. As used in this chapter, "green infrastructure project"
10	means the construction, addition, extension, or improvement of an
11	energy utility's plant or equipment to:
12	(1) provide electric, steam, or gas service to; or
13	(2) receive electric, steam, or gas service from;
14	an alternate energy production facility, a renewable energy
15	manufacturing facility, or a renewable energy resource.
16	Sec. 4. As used in this chapter, "renewable energy
17	manufacturing facility" means a facility that primarily
18	manufactures components used by:
19	(1) an alternate energy production facility; or
20	(2) a facility that produces electricity from, or conserves
21	electricity from the use of, a renewable energy resource.
22	Sec. 5. As used in this chapter, "renewable energy resource" has
23	the meaning set forth in IC 8-1-8.8-10.
24	Sec. 6. (a) The commission shall encourage green infrastructure
25	projects by allowing an adjustment of the energy utility's basic
26	rates and charges to provide the timely recovery of reasonable and
27	necessary costs incurred by the energy utility in connection with a
28	green infrastructure project.
29	(b) In allowing the recovery of costs by allowing an adjustment
30	of the energy utility's basic rates and charges under subsection (a),
31	the commission shall determine the following:
32	(1) The amount of reasonable and necessary costs that the
33	energy utility may recover.
34	(2) The rate adjustment mechanism by which the energy
35	utility may recover costs.
36	(3) The schedule under which the energy utility may recover
37	costs.
38	The commission shall consider whether the energy utility is
39	allowed to recover reasonable and necessary costs under
40	IC 8-1-37-9 for the same green infrastructure project.
41	Sec. 7. (a) An energy utility must:
12	(1) submit an application to the commission for approval of a

1	green infrastructure project for which the energy utility seeks
2	to recover costs under section 6 of this chapter; and
3	(2) serve a copy of the application on the Indiana economic
4	development corporation established by IC 5-28-3-1.
5	(b) The commission shall prescribe the form for an application
6	submitted under subsection (a).
7	(c) Upon receipt of an application under subsection (a), the
8	commission shall review the application for completeness. The
9	commission may request additional information from the applicant
10	as needed.
11	(d) Subject to subsection (e), the commission shall approve or
12	deny the application not later than one hundred twenty (120) days
13	after the date of the application.
14	(e) The period under subsection (d) does not include the days
15	beginning on the date of a request for additional information under
16	subsection (c) and ending on the date the requested information is
17	provided.
18	(f) If the commission fails to act on or before the deadline
19	established in subsection (d) on a complete application submitted
20	under subsection (a):
21	(1) the application is considered approved by the commission;
22	and
23	(2) the energy utility may implement an adjustment of the
24	energy utility's basic rates and charges to provide the timely
25	recovery of reasonable and necessary costs incurred by the
26	energy utility in connection with the green infrastructure
27	project.
28	Sec. 8. The commission may adopt rules to implement this
29	chapter.
30	SECTION 15. IC 8-1-38.2 IS ADDED TO THE INDIANA CODE
31	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
32	JULY 1, 2009]:
33	Chapter 38.2. Net Metering
34	Sec. 1. As used in this chapter, "customer" means a person, a
35	firm, a corporation, a municipality, or any other government
36	agency that has agreed to pay for retail electric service from an
37	investor owned utility.
38	Sec. 2. As used in this chapter, "eligible net metering customer"
39	means a customer in good standing that owns and operates a net
40	metering facility that has a nameplate capacity less than or equal
41	to one hundred (100) kilowatts.

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Sec. 3. As used in this chapter, "in good standing" means a

1	customer:
2	(1) whose account is not more than thirty (30) days in arrears;
3	and
4	(2) who does not have any legal orders outstanding pertaining
5	to the customer's investor owned electric utility.
6	Sec. 4. As used in this chapter, "interconnected" or
7	"interconnection" means the physical, parallel connection of a net
8	metering facility with a distribution facility of an investor owned
9	electric utility.
10	Sec. 5. As used in this chapter, "investor owned electric utility"
11	or "utility" means an electric utility that is financed by the sale of
12	securities and whose business operations are overseen by a board
13	representing the shareholders of the electric utility.
14	Sec. 6. As used in this chapter, "nameplate capacity" means the
15	full load, continuous rating of a generator under specified
16	conditions as designated by the manufacturer.
17	Sec. 7. As used in this chapter, "net metering" means the
18	measurement of the difference between:
19	(1) the electricity that an investor owned electric utility
20	supplies to an eligible net metering customer; and
21	(2) the electricity that an eligible net metering customer
22	supplies back to the investor owned electric utility.
23	Sec. 8. As used in this chapter, "net metering facility" means an
24	arrangement of equipment that is:
25	(1) used for the production of electricity from a renewable
26	energy resource (as defined in IC 8-1-8.8-10);
27	(2) owned and operated by an eligible net metering customer;
28	(3) located on the eligible net metering customer's premises;
29	and
30	(4) used primarily to offset all or part of the eligible net
31	metering customer's own electricity requirements.
32	Sec. 9. As used in this chapter, "parallel" means the designed
33	operation of the net metering facility, interconnection equipment,
34	and the investor owned electric utility's system where the
35	instantaneous flow of electrical energy may automatically occur in
36	either direction across the interconnection point between the net
37	metering facility and the electrical utility's distribution system.
38	Sec. 10. (a) An investor owned electric utility shall offer net
39	metering to eligible net metering customers that install a net
40	metering facility.
41	(b) An investor owned electric utility may offer net metering to

customers other than eligible net metering customers.

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(c) An investor owned electric utility that offers net metering to its customers may limit the total amount of net metering facility nameplate capacity under the net metering tariff to one percent (1%) of the most recent summer peak load of the utility.

- Sec. 11. An investor owned electric utility shall determine an eligible net metering customer's monthly bill as follows:
 - (1) Bill charges, credits, rates, and adjustments must be in accordance with the utility's tariff and administrative rules that would apply if the eligible net metering customer did not participate in net metering.
 - (2) If the amount of electricity generated during a billing cycle by the net metering customer and delivered to the electric utility is less than the amount of electricity delivered during the same billing cycle by the electric utility to the net metering customer, the electric utility shall bill the net metering customer for the difference between the amounts at the applicable rate under the tariff filed by the electric utility with the commission.
 - (3) If the amount of electricity generated during a billing cycle by the net metering customer and delivered to the electric utility exceeds the amount of electricity delivered during the same billing cycle by the electric utility to the net metering customer, the electric utility shall credit the difference between the amounts, measured in kilowatt hours, to the net metering customer in the next billing cycle.
 - (4) If an eligible net metering customer becomes ineligible or otherwise stops participating in an investor owned electric utility's net metering tariff, any remaining credit determined under subdivision (3) reverts to the utility.

Sec. 12. A rule that is:

- (1) adopted by the commission and codified at 170 IAC 4-4.2; and
- (2) contrary to this chapter;

is void.

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SECTION 16. IC 32-24-1-5, AS AMENDED BY P.L.163-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) As a condition precedent to filing a complaint in condemnation, and except for an action brought under IC 8-1-13-19 (repealed), a condemnor may enter upon the property as provided in this chapter and must, at least thirty (30) days before filing a complaint, make an offer to purchase the property in the form prescribed in subsection (c). The offer must be served personally or by

1 certified mail upon: 2 (1) the owner of the property sought to be acquired; or 3 (2) the owner's designated representative. 4 (b) If the offer cannot be served personally or by certified mail, or if the owner or the owner's designated representative cannot be found, 5 notice of the offer shall be given by publication in a newspaper of 6 7 general circulation in the county in which the property is located or in 8 the county where the owner was last known to reside. The notice must 9 be in the following form: 10 TO: _____, (owner(s)), 11 _____(condemnor) needs your property for 12 ____(description 13 of project), and will need to acquire the following from you: 14 (general 15 description of the property to be acquired). We have made you a formal 16 17 offer for this property that is now on file in the Clerk's Office in the 18 County Court House. Please pick up the offer. If you do not respond to this notice or accept the offer by ____ (a date 30 days from 19 1st date of publication) 20 , we shall file a suit to condemn the 20 21 property. 22 23 Condemnor 24 The condemnor must file the offer with the clerk of the circuit court 25 with a supporting affidavit that diligent search has been made and that 26 the owner cannot be found. The notice shall be published twice as 27 follows: 28 (1) One (1) notice immediately. 29 (2) A subsequent publication at least seven (7) days and not more 30 than twenty-one (21) days after the publication under subdivision 31 (1). 32 (c) The offer to purchase must be in the following form: 33 UNIFORM PROPERTY OR EASEMENT **ACQUISITION OFFER** 34 (condemnor) is authorized by Indiana law to obtain 35 36 your property or an easement across your property for certain public purposes. _____ (condemnor) needs (your property) (an 37 easement across your property) for a ___ 38 (brief description of the project) and needs to take 39 40 (legal description of the property or easement 41 to be taken; the legal description may be made on a separate sheet and 42 attached to this document if additional space is required)

1	It is our opinion that the fair market value of the (property) (easement)
2	we want to acquire from you is \$, and, therefore,
3	(condemnor) offers you \$ for the above described (property)
4	(easement). You have thirty (30) days from this date to accept or reject
5	this offer. If you accept this offer, you may expect payment in full
6	within ninety (90) days after signing the documents accepting this offer
7	and executing the easement, and provided there are no difficulties in
8	clearing liens or other problems with title to land. Possession will be
9	required thirty (30) days after you have received your payment in full.
10	HERE IS A BRIEF SUMMARY OF YOUR OPTIONS AND
11	LEGALLY PROTECTED RIGHTS:
12	1. By law, (condemnor) is required to make a
13	good faith effort to purchase (your property) (an easement across
14	your property).
15	2. You do not have to accept this offer and
16	(condemnor) is not required to agree to your demands.
17	3. However, if you do not accept this offer, and we cannot come to
18	an agreement on the acquisition of (your property) (an easement),
19	(condemnor) has the right to file suit to condemn
20	and acquire the (property) (easement) in the county in which the
21	property is located.
22	4. You have the right to seek advice of an attorney, real estate
23	appraiser, or any other person of your choice on this matter.
24	5. Unless the condemnor has been issued a certificate of
25	authority from the Indiana utility regulatory commission for
26	this project under IC 8-1-8.4, you may object to the public
27	purpose and necessity of this project.
28	6. If (condemnor) files a suit to condemn and
29	acquire (your property) (an easement) and the court grants its
30	request to condemn, the court will then appoint three appraisers
31	who will make an independent appraisal of the (property)
32	(easement) to be acquired.
33	7. If we both agree with the court appraisers' report, then the matter
34	is settled. However, if either of us disagrees with the appraisers'
35	report to the court, either of us has the right to ask for a trial to
36	decide what should be paid to you for the (property) (easement)
37	condemned.
38	8. If the court appraisers' report is not accepted by either of us, then
39	(condemnor) has the legal option of depositing
40	the amount of the court appraisers' evaluation with the court. And
41	if such a deposit is made with the court,
42	(condemnor) is legally entitled to immediate possession of the

1	(property) (easement). You may, subject to the approval of the
2	court, make withdrawals from the amount deposited with the court.
3	Your withdrawal will in no way affect the proceedings of your case
4	in court, except that, if the final judgment awarded you is less than
5	the withdrawal you have made from the amount deposited, you will
6	be required to pay back to the court the amount of the withdrawal
7	in excess of the amount of the final judgment.
8	9. The trial will decide the full amount of damages you are to
9	receive. Both of us will be entitled to present legal evidence
10	supporting our opinions of the fair market value of the property or
11	easement. The court's decision may be more or less than this offer.
12	You may employ, at your cost, appraisers and attorneys to
13	represent you at this time or at any time during the course of the
14	proceeding described in this notice. (The condemnor may insert
15	here any other information pertinent to this offer or required by
16	circumstances or law).
17	10. If you have any questions concerning this matter you may
18	contact us at:
19	
20	
21	(full name, mailing and street address, and phone of the
22	condemnor)
23	This offer was made to the owner(s):
24	of
25	of
26	of
27	of
28	on the day of 20,
29	BY:
30	
31	(signature)
32	
33	(printed name and title)
34	Agent of:
35	
36	(condemnor)
37	If you decide to accept the offer of \$ made by
38	(condemnor) sign your name below and mail
39	this form to the address indicated above. An additional copy of
40	this offer has been provided for your file.
41	ACCEPTANCE OF OFFER
42	I (We),,,,

1	owner(s) of the above described property or interest in property,
2	hereby accept the offer of \$ made by
3	(condemnor) on this day of, 20
4	
5	
6	
7	
8	NOTARY'S CERTIFICATE
9	STATE OF)
10)SS:
11	COUNTY OF)
12	Subscribed and sworn to before me this day of
13	, 20
14	My Commission Expires:
15	
16	(Signature)
17	
18	(Printed) NOTARY PUBLIC
19	(d) If the condemnor has a compelling need to enter upon property
20	to restore utility or transportation services interrupted by disaster or
21	unforeseeable events, the provisions of subsections (a), (b), and (c) do
22	not apply for the purpose of restoration of utility or transportation
23	services interrupted by the disaster or unforeseeable events. However,
24	the condemnor shall be responsible to the property owner for all
25	damages occasioned by the entry, and the condemnor shall immediately
26	vacate the property entered upon as soon as utility or transportation
27	services interrupted by the disaster or unforeseeable event have been
28	restored.".
29	Renumber all SECTIONS consecutively.
	(Reference is to HB 1360 as reprinted February 21, 2009.)
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and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 1.

Senator Hershman, Chairperson